

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
JANUARY 22, 1998

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, January 22, 1998. Members present were Mark Hasten, Chairman; Norman L. Lowery, Vice Chairman; Ronald E. Depasse, Gary M. Smith, David D. Baer, Tony Zaleski and Mrs. Loretta M. Burd. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Sr. Bank Analyst; Gina R. Williams, Sr. Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division; Mark Tarpey, Division Supervisor, Consumer Credit Division; Chuck T. Stumpf, Deputy Director, Administration and Ronda Bailey, Administrative Secretary. Representing Pullman Bank and Trust Company was Richard Dunbar, Incorporator and Executive Vice President. Representing General Federal Credit Union was Jerry L. Yerkes, President. Also attending the meeting were Andrea Hemmig and James McEachern, two new Bank Examiners.

I. PUBLIC SESSION

A.) Attendance

B.) Date of next meeting: February 12, 1998, at 9:00 a.m., EST.

The Members elected Mr. Gary Smith to serve as acting Chairman for the February meeting due to the anticipated absences of Chairman Hasten and Vice Chairman Lowery.

C.) A motion was made for approval of the minutes of the meeting held December 11, 1997, by Mrs. Burd and was seconded by Mr. Baer. The minutes were unanimously approved.

DIVISION OF BANK AND TRUST COMPANIES

1.) Century Bank Corp., Fairmount, Grant County, Indiana

Ms. Gina R. Williams, Senior Bank Analyst, presented this application. Century Bank Corp. has applied to the Department for a change of control of the Citizens Exchange Bank, Fairmount, Indiana, pursuant to IC 28-1-2-23.

Century Bank Corp was formed by Timothy Selby, John Selby, and Anne Selby for the sole purpose of transferring to it the shares of stock of Citizens Exchange Bank owned by them

in exchange for shares of stock in Century Bank Corp. The Selbys in aggregate own 97.8% of the issued and outstanding shares of Citizens Exchange Bank.

On November 18, 1997, the Selbys entered into a Contribution Agreement with Century which provides that for each share of Citizens Exchange Bank stock contributed by each, they will receive one (1) share of voting stock and four (4) shares on nonvoting stock of Century.

As a result of the exchange, the Selbys will hold an aggregate 1,588 voting shares and 6,352 nonvoting shares of Century. Century is authorized to issue 2,000 shares of voting stock and 8,000 shares of nonvoting stock.

A proforma financial statement of Century after the exchange of stock reflects TA of \$3,949M, TL of \$0, and NW of \$3,949M.

Citizens is a state-chartered commercial bank and has the authority to issue 1,800 shares of common stock of which 1,624 shares have been issued and are outstanding. There will be no changes in management or the board of directors of the Citizens Exchange Bank as a result of the change of control. Tim Selby is President and Chairman of the Board and has been with the bank since 1971. John Selby is Executive Vice President and Director and has been with the bank since 1992. Anne Selby is an attorney in Marion, Indiana.

The Federal Reserve Bank of Chicago is expected to act on this application by February 2, 1998.

Ms. Williams told the Members the applicant is considered qualified by competence, experience, character, and financial responsibility to operate in a legal and proper manner and the interests of the stockholders, depositors, and creditors of the bank and the interests of the public generally will not be jeopardized by the proposed change in control. Based on these findings, approval is recommended.

Mr. Smith asked what the reasoning was behind the transaction. Ms. Williams informed the Members that the Selbys had been discussing estate planning and the future independence of the bank. They were advised to offer to buyout the minority shareholders and form a holding company.

Mr. Baer commented on the profitability of the institution. Ms. Williams stated that profitability was misleading because instead of paying cash dividends, the bank pays cash bonuses to the insiders. If profitability goals are not met, then the bonuses are either not paid or reduced.

A motion for approval of the application was made by Mr. Baer and seconded by Mr. Smith. **The application was unanimously approved.**

2.) **Pullman Bank and Trust Company, South Bend, St. Joseph County, Indiana, and**

3.) **Pullman Group, Inc., Chicago, Cook County, Indiana**

Because these two applications are inter related, Mr. Kirk J. Schreiber, Senior Bank Analyst, presented them at the same time. Richard Dunbar, incorporator of the proposed bank was in attendance to represent the applications.

Mr. Dunbar, as incorporator, has applied to the Department for approval to organize a state chartered commercial bank to be known as Pullman Bank and Trust Company (the "Bank"). The Bank will be located in South Bend, Indiana. The Bank is being organized by Pullman Group, Inc. ("Pullman Group"). Immediately upon consummation of the formation, the Bank will be acquired by Pullman Group and become a wholly-owned subsidiary of Pullman Group.

Pullman Group is a one bank holding company headquartered in Chicago, Illinois whose only bank subsidiary is Pullman Bank and Trust Company ("Pullman Bank – Illinois") also headquartered in Chicago. As of September 30, 1997, Pullman Group had consolidated total assets of \$456.6 million, total deposits of \$407 million, and equity capital of \$36.1 million.

Pullman Group intends to acquire the 100 shares of Bank stock for \$5,000,000. It will borrow \$3.5 million for the stock purchase from American National Bank, Chicago, Illinois. The remaining \$1.5 million acquisition of the stock will be funded from a special dividend to Pullman Group from Pullman Bank – Illinois.

Mr. Schreiber informed the Members that the Bank's market area is defined as the Michiana area that includes South Bend, Mishawaka, Elkhart, Goshen and Southwestern Michigan. Pullman Group - Illinois, has operated a loan production office ("LPO") in Mishawaka since November 1993. Upon approval of the Bank, the LPO will remain open to service its national loan portfolio; however, the Bank will acquire \$15 million in local commercial loans from the LPO totaling approximately forty (40) loan customers. The Bank's goal is to better serve the current local customer base by offering full service financial services while also establishing new relationships in the market area.

The Bank intends to conduct its operations from a main office located at 1615 Portage Avenue, South Bend, Indiana. The bank has projected opening a branch office in the second year of operation in the Mishawaka area.

Mr. Schreiber summarized the application approval factors for the formation of a commercial bank pursuant to IC 28-11-5-4.

Factor #1 The financial standing and character of the incorporators, organizers, directors, principal shareholders, and controlling corporation.

A review of these individuals financial statements and biographical backgrounds was

conducted as part of the application investigation. No unfavorable items were noted. In addition, the FDIC conducts its own background investigation including FBI criminal checks. This investigation revealed no unfavorable responses.

The Federal Reserve Bank of Chicago conducted a full scope inspection of Pullman Group as of December 31, 1995. The inspection reported the overall financial condition of Pullman Group to be strong and a Satisfactory BOPEC rating was assigned.

The financial standing and character of the incorporator, organizer, director, principal shareholder, and controlling corporation are considered acceptable.

Factor #2 The character, qualifications, and experience of the officers and directors of the proposed financial institution.

The bank intends to begin operations with a staff of approximately eight (8) employees. David Shaw will serve as the Bank's Chairman of the Board and Chief Executive Officer. Mr. Shaw has been with Pullman Bank - Illinois since 1993, where he currently serves as Chairman of the Board and CEO. James DeNaut will serve as the Bank's President. Since 1992, Mr. DeNaut has been President and Chief Operating Officer of Pullman Bank - Illinois. Richard Dunbar will serve as the Bank's Executive Vice President and will be responsible for the day to day operations of the Bank. Since November 1993, Mr. Dunbar has been a Senior Vice President for Pullman Bank - Illinois, responsible for the day to day operations of the LPO in Mishawaka. Paul Zediker will serve as the Bank's Vice President. Mr. Zediker is currently a Vice President with Pullman Bank - Illinois. All four of these gentlemen will serve as directors of the proposed bank. The other director of the proposed bank is Robert Dunbar. Mr. Dunbar is a retired bank President of the Chesterton State Bank.

The character, qualifications, and experience of the officers and directors of the proposed financial institution are considered acceptable.

Factor #3 The future earnings prospects for the proposed financial institution in the community in which the financial institution is to be established.

The projections appear reasonable based on the assumptions utilized, proposed marketing plan of the bank, and the strength the holding company will provide.

Factor #4 The adequacy of the financial institution's proposed capital.

The proposed capital of the Bank is considered adequate. The FDIC Statement of Policy, Application for Deposit Insurance states that the basic benchmark for evaluating the adequacy of the capital structure of a new depository institution is that it should have initial capitalization sufficient to provide a ratio of Tier 1 capital to total estimated assets of at least 8% at the end of the 3rd year. Pro forma financial information projects the Tier 1 capital ratio to exceed the minimum required capital ratio.

Mr. Schreiber informed the Members that the FDIC in Chicago would consider the formation of the Bank in February. The Federal Reserve of Chicago is expected to act upon the acquisition application sometime in March

Pro forma combined financial statements as of September 30, 1997, of Pullman Group, after acquiring the stock of the Bank, reflect total assets of \$452.1 million, and total equity capital of \$36.1 million. The Tier 1 leverage capital would be approximately 7.3%.

Pullman Bank - Illinois received a Satisfactory CRA rating when last examined for compliance with the Community Reinvestment Act by the Federal reserve Bank of Chicago as of April 28, 1997.

Mr. Schreiber told the Members it was the opinion of the staff that Pullman Group had satisfactorily met the requirements of IC 28-2-16-17(e) for a foreign bank holding company to acquire an Indiana chartered bank. Based on the findings of the investigation by the Department, the staff recommends the following:

Approval of the formation of a state chartered commercial bank to be known as Pullman Bank and Trust Company, located in South Bend, Indiana.

Approval of the application by Pullman Group to acquire all of the stock of Pullman Bank and Trust Company, South Bend.

After a brief discussion, the Members first voted on the formation of Pullman Bank and Trust Company with the following votes taken for each of the Factors:

Factor #1 was voted upon with seven favorable votes. There were no unfavorable votes.
Factor #1 was unanimously approved.

Factor #2 was voted upon with seven favorable votes. There were no unfavorable votes.
Factor #2 was unanimously approved.

Factor #3 was voted upon with seven favorable votes. There were no unfavorable votes.
Factor #3 was unanimously approved.

Factor #4 was voted upon with seven favorable votes. There were no unfavorable votes.
Factor #4 was unanimously approved.

The Members then voted on the application of Pullman Group to acquire Pullman Bank and Trust Company. A motion for approval of the application was made by Mr. Lowery and seconded by Mr. Depasse. **The application was unanimously approved.**

CREDIT UNION DIVISION

1.) GENERAL FEDERAL CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. General Federal Credit Union (General) has applied to the Members of the Department of Financial Institutions for approval of their proposed conversion from a federal to a state charter (the new state chartered credit union will be named General Credit Union). General will also be converting from NCUA provided share insurance to deposit insurance provided by American Share Insurance of Dublin, Ohio. General is a federal credit union, chartered, regulated, and insured by the National Credit Union Administration (NCUA). As of October 31, 1997, General had total assets of \$32.2 million and total equity capital of \$2.8 million. The board of directors of General adopted a resolution on April 22, 1997, which authorized Jerry L. Yerkes, President of the credit union to pursue all of the necessary regulatory approvals to accomplish a conversion from federal to state charter and from federal to private deposit insurance.

Upon conversion, General will be governed by the provisions of I.C. 28 applicable to state chartered credit unions. As a state chartered credit union, General will be regulated by the Department of Financial Institutions and insured by American Share Insurance of Dublin, Ohio. In order to convert to a state chartered credit union, General must follow the conversion statutes contained with I.C. 28 and the Federal Credit Union Act.

Mr. Powell informed the Members that an examination of General as of October 31, 1997, was performed by Department staff. The following are the results of this examination:

1. Return on average assets - 0.63%
2. Three year average return on average assets - 0.60%
3. Net capital to assets - 8.65%
4. Delinquent loans to total loans - 1.04%
5. Allowance for loan loss was under funded by \$6,796. General has agreed to fund this amount upon conversion.
6. The investment portfolio is relatively conservative with 73% of the portfolio invested with Indiana Corporate Federal Credit Union.

Overall, General was considered to be sound with adequate capital and earnings and minimal asset quality problems. As a result of the examination, General was assigned a "Satisfactory" CAMEL rating.

Mr. Powell informed the Members that the most recent external review of General performed by Shull & Company revealed no significant problems.

Mr. Powell informed the Members that the NCUA conducted a full scope examination of General as of December 31, 1996. As a result of this examination General was assigned a "Satisfactory" CAMEL rating by NCUA.

Mr. Powell informed the Members that a review of General's CUSO activity had revealed no problems in this area of operations.

Mr. Powell informed the Members that it was determined by the Department staff that the proposed conversion of General Federal Credit Union to an Indiana state charter meets the requirements of I.C. 28-7-1-29 and I.C. 28-7-1-31.5. The Department's Report of examination of the applicant and the investigation by the staff has concluded that the resulting Indiana state chartered credit union will be operated in a safe, sound, and prudent manner.

Based upon the aforementioned findings, the staff recommended that the proposed conversion of General Federal Credit Union be approved.

After Mr. Powell's presentation, Mrs. Burd asked what the make-up of Generals' field of membership was. Mr. Powell responded that the majority of the field of membership was made up of General Telephone employees, but that the credit union did have fifty-three select employee groups within the field of membership. Mr. Hasten then asked how many total members the credit union had. Mr. Yerkes replied that they currently had seven thousand members. Next Mrs. Burd asked if the by-laws of Key Financial Services (one of Generals CUSO's) were set up so that only members of General or Firefighters Federal Credit Union could use the services of the CUSO. Mr. Yerkes replied that the CUSO dealt with twenty seven other credit unions and the general public. Mrs. Burd then asked about why Greater Indianapolis Firefighters was mentioned on page four of the outline. Mr. Powell replied that this was a typographical error, but that the capital ratios cited were correct for General Federal Credit Union. Mr. Smith asked who had written the audit for General. Mr. Powell replied that the audit was written by Shull & Company. Mr. Smith then asked whether the recommendations made by Shull and Company had been acted upon by General Federal Credit Union. Mr. Yerkes replied that yes they had been acted upon. Mr. Powell then pointed out that a more recent audit by Shull & Company has been completed but was not available for inclusion with this outline. Mr. Hasten then asked if there was any difference in the examinations performed by NCUA examiners or DFI examiners. Mr. Phillips replied that the examinations are virtually identical. Mr. Hasten then asked why the investment growth ratios were so erratic. Mr. Yerkes explained that General Telephone Co. had closed a large administrative operation in Westfield, Indiana. This closure cost the credit union approximately six million dollars and also affected earnings in a negative fashion. Mr. Hasten noted that the earnings of the credit union have been consistently under the peer group average. Mr. Phillips replied that while earnings have been low the credit union had been able to improve its capital position. Mr. Baer then asked how the DFI examiners compute the amount needed in the allowance for loan loss account. Mr. Powell replied that the examiners compute a five year loan loss average and then to that average add the total

amount of individual classifications produced by a review of the credit unions delinquency. Mr. Baer then asked if the DFI required the allowance account to be a certain percentage of loans. Mr. Powell replied that no the allowance account can vary depending on the five year loan loss average and the results of the on-site delinquency review. Mr. Baer then asked if it was normal for a credit union board to contain as many retirees as the General Federal Credit Union Board does. Mr. Powell replied that there is no set make-up of a credit union board of directors, each credit union will be different. Mr. Hasten then asked if the credit union had a location in Westfield currently. Mr. Yerkes replied that no they did not.

Mrs. Burd made a motion for approval which was seconded by Mr. Lowery. The motion to approve the conversion of General Federal Credit Union to Indiana State charter was approved with Mr. Smith abstaining from the vote.

DIRECTOR'S COMMENTS AND REQUESTS

A) SALIN BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA

The bank notified the Department that they closed the branch banking office that was known as the "Columbus Downtown Branch" located at 436 Washington Street, Columbus, Bartholomew County, Indiana. The branch office closed on December 31, 1997 @ 5:00 P.M. This item was for informational purposes only.

B) The Director advised the Members of actions pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows.

DIVISION OF BANK AND TRUST COMPANIES

1.) HEARTLAND COMMUNITY BANK, FRANKLIN, JOHNSON COUNTY, INDIANA

The bank, a newly chartered commercial bank approved by the DFI on September 25, 1997, which plans to open its doors to the public on December 17, 1997, has applied for approval to open a temporary branch banking office. As contemplated in the formation application, the bank was to open a branch office at 357 South SR 135, Greenwood, Johnson County, Indiana, at approximately the same time the main office located in Franklin, Indiana, is to be opened. Construction delays at the branch office have postponed its opening until March or April 1998. President Steve Bechman feels it is important to get a facility opened in that area as soon as possible. The bank is requesting approval to open a temporary branch office approximately one-half block north of the permanent branch until its completion. The bank will lease approximately 1400 square feet from the Milto Family Limited Partnership. The lease term is for four months at \$1,000 per month with a month to month option thereafter. The request was received on December 1, 1997. Monthly expenses are estimated to be \$2,125.00 and one time expenses are estimated at \$4,650.00. No insider relationship exists between any insiders of the bank and any

of the parties involved. **The Director approved this on December 12, 1997, under Delegated Authority.**

2.) **1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located in at **5631 Cleveland Avenue, Stevensville, Berrien County, Michigan**. The application was received on December 2, 1997. The name of the branch will be **1st Source Bank**. The proposed branch is approximately 1,200 square feet located in a shopping center. The bank will lease the space from Market Development Corp. for \$12M annually, due in monthly payments. The term of the lease is for three and contains no renewal options. The estimated costs for leasehold improvements are estimated at \$41M. Furniture, fixtures, and equipment are estimated to cost \$186M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of Joint examination conducted by the DFI and FRB as of March 31, 1997. The bank's three-year average ROA is 1.29%. As of June 30, 1997, the Tier I leverage capital ratio is 8.21%. Total fixed assets will increase from 12.59% before the opening of the branch to 13.24% after the branch is opened. This will be the institutions forty-fifth branch. **The Director approved this on December 12, 1997, under Delegated Authority.**

3.) **ALLIANCE BANK, VINCENNES, KNOX COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$1,700,000.00 to its holding company, National City Bancshares, Inc., Evansville, IN, to provide additional working capital. Budgeted net income for 1997 is \$2,000,000.00. As of September 30, 1997, the bank's tier 1 leverage capital ratio is 8.87%. Pro forma tier 1 leverage capital ratio after the payment of the dividend is projected to be approximately 8.06% as of December 31, 1997. Alliance Bank was formerly the State Bank of Washington. Effective June 30, 1997, State Bank of Washington was the surviving institution of a merger with United Federal Savings Bank of Vincennes. At the effective time of the merger, the bank's name was changed to Alliance Bank and relocated to Vincennes, Indiana. **The Director approved this on December 29, 1997, under Delegated authority.**

4.) **SALIN BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied to the Director for approval to amend Articles 5, 6 and 7 of its Articles of Incorporation. The amendment to Article 5 eliminates all authorized and outstanding preferred shares that have been called for redemption. The bank received Department approval on February 7, 1997, under delegated authority, to retire all of its 28,544 issued and outstanding shares of Class "A" Preferred Stock and all of its 73,728 issued and outstanding shares of 7% Preferred Series II Shares. The amendment to Article 6 reduces the minimum number of directors allowed by the bank from five to three. And Article 7 amends the board of director's names and post office addresses. **The Director approved this on December 29, 1997, under Delegated Authority.**

5.) **COMMUNITY BANK OF SOUTHERN INDIANA, NEW ALBANY, FLOYD**

COUNTY, INDIANA

The bank has applied for approval to relocate its main office from **202 East Spring Street, New Albany, Floyd County, Indiana** to **the corner of Spring and State Street, New Albany, Floyd County, Indiana**. The application was received on November 26, 1997. The bank is proposing to construct a five story building with a basement and relocate the main office to the first floor of the proposed structure. Each floor contains approximately 6,500 square feet. The bank's holding company, Community Bankshares of Indiana, Inc., will lease the basement and second floor for the operations center and administrative support center. The remaining floors will be leased or used for future expansion. F. W. Owens, Louisville, Kentucky, has been contracted to build the facility. Cost of construction is projected at \$3,900,000.00. Furniture, fixtures, and equipment are projected at \$350,000.00. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMELS rating as a result of an examination conducted by the FDIC as of March 31, 1997. As of September 30, 1997, the bank's ROA is 1.09% and Tier 1 leverage capital ratio is 9.98%. Total fixed assets to total capital will increase from 10.81% to 29.52% after the relocation. The bank does plan to sell the current main office in the future. This institution converted from a federal savings bank to a state-chartered commercial bank in December of 1996. **The Director approved this on January 14, 1998, under Delegated Authority.**

6.) **THE SCOTT COUNTY STATE BANK, SCOTTSBURG, SCOTT COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located in at **57 N. Michael Drive, Scottsburg, Scott County, Indiana**. The application was received on December 29, 1997. The branch will be known as the **Westview Branch**. The bank is proposing to construct a 2,200 square foot branch on 0.72 acres of land. The bank purchased the land in May of 1997 for \$220M from Robert Allen, Cheryl Allen, Lori Baumgardner and Audrey Baumgardner. The expected cost to prepare the site is \$90M. The cost to construct the building is projected to be \$440M and furniture, fixtures, and equipment are expected to cost \$115M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result a DFI examination as of September 30, 1996. The bank's three-year average ROA is 1.14%. As of September 30, 1997, the Tier I leverage capital ratio is 11.70%. Total fixed assets will increase from 19.35% before the opening of the branch to 25.52% after the branch is opened. This will be the institutions third branch. **The Director approved this on January 14, 1998, under Delegated Authority.**

7.) **PACIFIC THRIFT AND LOAN COMPANY, WOODLAND HILLS, LOS ANGELES COUNTY, CALIFORNIA**

An application from Pacific Thrift and Loan Company ("Pacific") was received by the Department to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. Pacific is incorporated under the General Corporation Law of California. The purpose of Pacific is to engage in an industrial loan business pursuant to Division 7 of the Financial Code. Pacific intends to transact business through a loan production office in

Indiana. Loan decisions and disbursement of loan proceeds will take place from Pacific's

offices in California. Pacific has appointed Ruby Cummings, 10401 North Meridian St. #324, Indianapolis, Marion County, Indiana, as resident agent for service of legal process. **The application for permission as a foreign corporation to transact business in the State of Indiana was approved by action taken by the Director under Delegated Authority on January 14, 1998.**

- 8.) **BANK OF WESTERN INDIANA, COVINGTON, FOUNTAIN COUNTY, INDIANA**
The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay cash dividends in 1998 of \$1,843,000 to its holding company, Old National Bancorp, Evansville, Indiana. The bank is projecting net income of \$1,940,000 for 1998. As of September 30, 1997, the bank's Tier I leverage capital ratio is 8.88%. It is the holding company's intent that Tier 1 capital will not fall below 7.9%. The bank's average three-year ROA is 1.26%. **The Director approved this on January 14, 1998.**

DIVISION OF CREDIT UNIONS

- 1.) **NAVAL AVIONICS EMPLOYEES CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

American Document Management - Indianapolis - 20 members

Hecny Transportation, Inc. - Indianapolis - 10 members

The Director approved this on December 5, 1997, under Delegated Authority

- 2.) **INDIANA MEMBERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

United Pentek, Inc. - Indianapolis - 150 members

Circle Design Group, Inc. - Indianapolis - 27 members

WFS, Inc. - Fishers - 2 members

The Director approved this on December 16, 1997, under Delegated Authority

3.) **TECH CREDIT UNION, CROWN POINT, LAKE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

NACME Steel Processing, L.L.C. - Chicago, Il. - 65 members
The Anointed House of Prayer Outreach Ministries - Chicago - 20 members
Little People Learning Center - Crown Point - 15 members
Bird Treatment Services - Gary - 32 members
Antioch Christian Academy - South Holland, Il. - 20 members
Michelle Brown State Farm Insurance - Crown Point - 5 members

The Director approved this on December 17, 1997, under Delegated Authority

4.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Supreme, Inc. - Indianapolis - 25 members
New Beginnings - Warsaw - 3 members
Valparaiso Teachers Association - Valparaiso - 340 members
P & G Enterprises - South Bend - 12 members
Advance Dental - South Bend - 7 members
Construction-Management & Design, Inc. - Plymouth - 25 members
John's Spa Repair, Inc. - Niles, MI - 2 members
Macy United Methodist Church - Macy - 45 members
Business Furnishings, LLC - South Bend - 12 members

The Director approved this on December 22, 1997, under Delegated Authority

5.) **HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Bailey Bros. Used Cars, Inc. - Shoals - 10 members
Bedford Nursing Center - Bedford - 37 members
Bedrock Tire - Bedford - 6 members
Brent Welke, Attorney & Counselor at Law - English - 2 members
Compton's Step Saver - Bedford - 32 members
Cosner's Ice Co. - Bedford - 15 members
D. L. Morrow & Associates - Bedford - 10 members

E & R Fabricating, Inc. - Bedford - 7 members
Eck-Mundy Associates, Inc. - Jasper - 7 members
First Chance Center - Paoli - 35 members
Indiana Stone Works, Inc. - Bedford - 24 members
Medco Health & Rehabilitation Center - French Lick - 80 members
Peter F. Murphy, CPA - Huntingburg - 3 members
J & J of Bedford, Inc. - Bedford - 32 members
Salem Community Schools - Salem - 258 members
St. John's Episcopal Church - Bedford - 130 members
Stonehenge Lodge - Bedford - 65 members
Suds & Wheels Indoor Carwash - Mitchell - 7 members
Employees of Washington County, Indiana - Salem - 158 members

The Director approved this on December 23, 1997, under Delegated Authority

6.) **INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Paragon Printing, Inc. - Indianapolis - 6 members
EMAN, Inc. - Indianapolis - 20 members
Paul Harvey Ford Sales, Inc. - Indianapolis - 61 members
Cardiovascular Surgical Services, P.C. - Indianapolis - 54 members

The Director approved this on December 30, 1997, under Delegated Authority

7.) **CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Carl D. Bell, D.D.S. - Columbus - 5 members
Historic Madison Inn on Broadway, Inc. - Madison - 11 members
Koorsen Protection Services - Columbus - 13 members
LB Mold, Inc. - Edinburgh - 17 members
Madison Heating & Air Conditioning - Madison - 10 members
Mitsubishi Heavy Industries Climate Control, Inc. - Franklin - 160 members
Plastic Moldings Corporation - Shelbyville/East Enterprise - 200 members
Prince of Peace Catholic Schools - Madison - 59 members
Towne Air Freight, Inc. - South Bend - 200 members

United Hearing Aid Center - North Vernon - 2 members

Woods & Grooms, Inc. - Columbus - 61 members

This was approved by the Director on January 5, 1998, under Delegated Authority

CONSUMER CREDIT DIVISION

- 1.) **7-11 Funding Corporation of Orange CA** is requesting a consumer loan license. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in nine states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 2.) **America'sBanc Mortgage Corp.** is requesting a consumer loan license. Applicant is based in Charlotte NC. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in four states. servicing their loans. Loans will be closed by a title company. They currently operate in 13 states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 3.) **Centerpoint Mortgage Corp.** is requesting a consumer loan license. Applicant is based in Laguna Hills CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 13 states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 4.) **Equity Lending, Inc.** is requesting a consumer loan license. Applicant is based in Edina MN. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in Arizona and Minnesota. Parent is Community First Bankshares, Inc. of Minnesota. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 5.) **First of America Mortgage Co.** is requesting a consumer loan license. Applicant is based in Kalamazoo MI. They will be making second mortgage loans. They will be servicing there loans. Loans will be closed by a title company/attorneys. They currently operate in Michigan, Illinois, and Indiana. Parent is First America Bank Corp. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 6.) **HomeSide Lending, Inc.** is requesting a consumer loan license. Applicant is based in Jacksonville FL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in 48 states and are partially owned by First National Bank of Boston; Barnett Bank, N.A.. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 7.) **Horizon Mortgage Corp.** is requesting a consumer loan license. Applicant is based in

Hinsdale IL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in 10 states. **The Director approved this on December 12, 1997, under Delegated Authority.**

- 8.) **Indy Cash Advance, Inc.** is requesting a consumer loan license. Applicant is based in Indianapolis IN. They will be making payday loans. They will be servicing their loans. Application was accepted prior to 11/3/97. As such, financial responsibility does not meet the new guidelines. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 9.) **Infiniti Mortgage, L.L.C.** is requesting a consumer loan license. Applicant is based in Chicago IL. Loans in Indiana will be made at Indianapolis. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in Illinois and Michigan. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 10.) **JBFI Funding, Corp.** is requesting a consumer loan license. Applicant is based in Sherman Oaks CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in four states. Application received prior to 11/3/97. As such, new financial responsibility requirements do not apply. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 11.) **MDH, Inc.** is requesting a consumer loan license. Applicant is based in Brownsburg IN. Loans in Indiana will be made at Indianapolis. They will be making payday loans. They will be servicing their loans. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 12.) **Master Financial, Inc.** is requesting a consumer loan license. Applicant is based in Orange CA. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in five states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 13.) **Platinum Capital Group** is requesting a consumer loan license. Applicant is based in Irving CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in California. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 14.) **PointSource Financial, L.L.C.** is requesting a consumer loan license. Applicant is based in Chicago IL. Loans in Indiana will be made at Indianapolis. They will be making second mortgage loans. They will not be servicing their loans. Loans will be made at the Indianapolis branch. **The Director approved this on December 12, 1997, under Delegated Authority.**

- 15.) **Rarick's T.V., Inc. d/b/a Rarick's Eazy Cash** is requesting a consumer loan license. Applicant is based in Fort Wayne. Loans will be made at nine branches in Northeast Indiana. They will be making payday loans. They will be servicing their loans. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 16.) **W. James Hermann d/b/a Supersonic Cash** is requesting a consumer loan license. Applicant is based in Rockport. They will be making payday loans. They will be servicing their loans. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 17.) **Terra Funding, Inc.** is requesting a consumer loan license. Applicant is based in Denver CO. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in seven states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 18.) **The Cornerstone Financial Group, Inc.** of Colorado is requesting a consumer loan license. Applicant is based in Colorado Springs CO. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in seven states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 19.) **Town & Country Credit Corporation** is requesting a consumer loan license. Applicant is based in Irving CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in fourteen states. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 20.) **United PanAm Mortgage Corp.** is requesting a consumer loan license. Applicant is based in Orange CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in nineteen states. Parent is Pan American Bank, FSB. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 21.) **Capital Acceptance Corporation d/b/a Cash Quick Payday Loans** is requesting a consumer loan license. Applicant is based in Indianapolis. Possible locations in central Indiana will be reviewed after approval. They will be making payday loans. They will be servicing their loans. They currently are registered as a loan broker in Indiana and Oklahoma. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 22.) **Rarick's TV, Inc. d/b/a Rarick's Eazy Cash** is requesting a pawnbroker license. Applicant is based in Fort Wayne. Pawns in Indiana will be made at Fort Wayne and Marion. FS Benbow and Division Supervisor Tarpey interviewed Mr. Terry Mullins. We believe Mr. Mullins will comply with all requirements under the statute. Currently registered with DFI under Rental Purchase Act (045-038) with 12 branches. Also, registered under a television and used auto dealer business (999-8517 and 999-13962),. Has also applied for a payday

- loan license. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 23) **K & S Liquors, Inc.** is requesting a check casher license. Applicant is based in Indianapolis. Licensee will have two locations in Indianapolis. They will be cashing all types of checks other than incidental to the retail sale and charging more than the greater of 1% or \$1. As such, will need check cashing license. **The Director approved this on December 12, 1997, under Delegated Authority.**
- 24.) **AccuBanc Mortgage Corporation** is requesting a consumer loan license. Applicant is based in Dallas, TX. Loans in Indiana will be made at one branch in Indianapolis. They will be making second mortgage loans. They will not be servicing their loans. They currently operate in 50 states. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 25.) **Amaximis Lending, Limited Partnership** is requesting a consumer loan license. Applicant is based in Fort Worth, TX. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 26.) **Champion Mortgage Co., Inc.** is requesting a consumer loan license. Applicant is based in Parsippany, NJ. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by a title company. They currently operate in eleven states, and as of 8/29/97 the applicant is a wholly owned subsidiary of Keybank USA, N.A. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 27.) **Community Home Mortgage Corporation** is requesting a consumer loan license. Applicant is based in Melville, NY. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company/attorneys. They currently operate in nine states. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 28.) **Community Loan Agency** is requesting a consumer loan license. Applicant is based in Miami, FL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 29.) **Dream House Mortgage Corporation** is requesting a consumer loan license. Applicant is based in Providence, RI. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in five states. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 30.) **E-Z Cash Advance, Inc.** is requesting a consumer loan license. Applicant is based in

Richmond, IN. They will be making payday loans. They will be servicing their loans. **The Director approved this on December 15, 1997, under Delegated Authority.**

- 31.) **Larry Hout d/b/a Checks USA** is requesting a consumer loan license. Applicant is based in Fort Wayne and has one branch there. They will be making payday loans. They will be servicing their loans. Applicant is currently licensed as a check casher (008-065). **The Director approved this on December 15, 1997, under Delegated Authority.**
- 32.) **Loan Link Financial Services d/b/a United Alliance Mortgage Bankers and Consumer Direct Funding, Inc.** is requesting a consumer loan license. Applicant is based in Aliso Viejo, CA and is a registered Indiana loan broker. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 33.) **Mission Hills Mortgage Corporation** is requesting a consumer loan license. Applicant is based in Santa Ana, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 34.) **Mortgage Lenders Acceptance Corporation** is requesting a consumer loan license. Applicant is based in Laguna Hills, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in eleven states. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 35.) **Old Kent Mortgage Company** is requesting a consumer loan license. Applicant is based in Grand Rapids, MI and is a wholly owned subsidiary of Old Kent Mortgage Services, Inc. This is a subsidiary of Old Kent Bank. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 44 states. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 36.) **Senate Financial Corporation** is requesting a consumer loan license. Applicant is based in Irvine, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 37.) **Statewide Mortgage Company d/b/a SMC Funding, Inc.** is requesting a consumer loan license. Applicant is based in Birmingham, AL. They will be making second mortgage loans and will purchase home improvement retail contracts. They will be servicing their loans. Loans will be closed by a title company. They currently operate in 28 states. **The Director approved this on December 15, 1997, under Delegated Authority.**
- 38.) **AJ's Jewelry & Loan, Inc.** is requesting a pawnbroker license. Applicant is based in New

Albany, IN. An interviews was held with Gerald Marx, president and Michael Hamburg, manager on January 7, 1998. They appeared qualified for approval as a pawnbroker and willing to comply with state and local ordinances. The manager was formerly manager for Dan's Cash America. **The Director approved this on December 15, 1997, under Delegated Authority.**

39.) Bonny Money Transmitting, Inc. is requesting a money transmitter license. Applicant is based in Merrillville, IN. Money orders will be issued. Applicant has met all of the financial requirments under the statute. This is a new business. **The Director approved this on December 15, 1997, under Delegated Authority.**

40.) Bonny Money Transmitting, Inc. is requesting a check casher license. Applicant is based in Merrillville, IN. They will be cashing all types of checks. They are a new business. **The Director approved this on December 15, 1997, under Delegated Authority.**

41.) Kokolene Marketing Corporation is requesting a check cashing license. Applicant is based in Seymour, IN and will have one branch in Indianapolis. Future locations may be added throughout Indiana. All types of checks will be cashed. Applicant will be using an automated, self-service, check cashing machine. The machine utilizes facial biometric technology. This is an advanced security device that actually reads and recognizes a person's face much like a fingerprint. Fees will range from 1% - 3%. **The Director approved this on December 15, 1997, under Delegated Authority.**

APPROVED:

ATTEST:

Mark Hasten, Chairman

J. Philip Goddard, Secretary

